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NSC FOR NEA STAFF

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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

PM Netanyahu to Washington

Key stories in the media:

The media reported that today PM Benjamin Netanyahu will meet and have lunch with President Barack Obama, and later meet with Secretary of State Hillary Clinton. Tomorrow he is slated to meet with Defense Secretary Robert Gates and congressional leaders.

All media reported that PM Netanyahu will use his meeting with President Obama to stress that "time is running out" for stopping Iran's nuclear program, so Obama must not spend more than a few months on his planned dialogue with Tehran unless real progress is achieved. HaQaretz reported that Netanyahu will say that if progress is not achieved within a few months, the U.S. must move quickly to more aggressive measures against Iran. HaQaretz quoted Netanyahu's aides as saying that he is encouraged by an interview in Newsweek yesterday in which Obama says he is not "naive" about Iran and is not taking "any options off the table." The purpose of the planned dialogue is to "offer Iran an opportunity to align itself with international norms," according to Obama. The President signaled that he has no intention of pursuing regime change in Iran, but stressed that Iran should be able "to maintain its Islamic character" while not being a "threat to its neighbors." He said he understands why Israel views Iran as an "existential threat," and that because of this, Israel's "calculation of costs and benefits are going to be more acute. They're right there in range, and I don't think it's my place to determine for the Israelis what their security needs are." Obama can "make an argument" that his approach "offers the prospect of security, not just for the United States but also for Israel, that is superior to some of the other alternatives."

On another key issue, Israeli-Palestinian talks, media quoted Netanyahu's aides as saying that he does not intend to accede to America's request that he express support for a two-state solution, which is likely to lead to conflict. HaQaretz reported that Netanyahu will present a series of security demands that he views as essential to any final-status agreement, including demilitarization of the West Bank and Israeli control of its airspace. He will reportedly cite Hamas' control of Gaza as a major barrier to progress. HaQaretz reported that, concerning the settlements, he will propose establishing a bilateral Israeli-American committee to reach understandings on reining in construction and evacuating outposts. He will also demand that such Israeli steps be matched by Palestinian progress on fighting terror.

The Jerusalem Post cited estimates made by the Israeli establishment that Iran is in the midst of a multi-year plan that it hopes will culminate in the production of several hundred missile launchers and over 1,000 long-range ballistic missiles within the next six years.

Yediot and Israel Radio reported that yesterday steps were taken to expand the Maskiyot settlement in the northern Jordan Valley, as well as other settlements. HaQaretz cited figures released recently by the GOI's Central Bureau of Statistics according to which in 2007 natural growth accounted for 63% of settlement population growth, whereas internal migration accounted for 37%.

Leading media quoted the UN Committee against Torture as saying on Friday that Israel should investigate the secret detention facility known as 1391, halt punitive housing demolitions, investigate Operation Cast Lead, and improve its treatment of security detainees.

The Jerusalem Post reported that, after a career spanning half a century, longtime Defense Ministry official and Iran expert Uri Lubrani appears to be on his way into forced retirement over power struggles with Mossad.

HaQaretz reported that yesterday President Shimon Peres conveyed to the Palestinians through King Abdullah II of Jordan that Israel is interested in immediately resuming negotiations with the PA. The media reported that Peres told the World Economic Forum in Jordan that Netanyahu wants peace. Maariv reported that chief Palestinian negotiator Saeb Erekat told the newspaper in Jordan that President Obama is the only person who can impose anything on Israel.

HaQaretz reported that Israel bars thousands of items, including vital products for everyday activity, from entering Gaza. Altogether only 30 to 40 select commercial items are now allowed into Gaza, compared to 4,000 that had been approved before the closure Israel imposed on Gaza following the abduction of Gilad Shalit. The Jerusalem Post quoted the Israeli-Palestinian Chamber of Commerce as saying that trade between Israel and Palestinians reached 15 billion shekels (around \$3.75 billion) in 2008.

Leading media reported that DM Ehud Barak allowed the far-Right Jewish Home Knesset members to tour the Palestinian side of Hebron (QH1Q), but that criticism made him change his mind.

Israel Radio and the leading news Web site Ynet reported that Egyptian intelligence chief Omar Suleiman has informed Fatah and Hamas that Egypt will force an agreement between them by early July if they do not manage to reach one by then. The radio also reported that the two factions have agreed to set up a joint security force by the end of the year.

The Jerusalem Post and other media cited the results of a Smith Research poll released yesterday: 31% of Israelis labeled Obama pro-Israel, 14% considered him pro-Palestinian, and 40% felt he is neutral. Fifteen percent were undecided.

The media cited the results of an annual University of Haifa survey of Jewish-Arab relations in Israel (taken in 2008) showing that 40.5% of Israeli Arabs claim the Holocaust never happened. HaQaretz quoted Prof. Sammy Smooha, who conducted the survey, as saying that he believes that the denial rate reflects a protest more than actual disbelief in the Holocaust. The poll, taken in 2008, found that 41 percent of Israeli Arabs deny Israel's right to exist as a Jewish state. Another 53.7 percent accept Israel's right to exist. The figures show that Arab attitudes are hardening compared to previous years. In 2003, for instance, 65.6 percent of Israeli Arabs recognized Israel's right to exist as a Jewish and democratic state, and in 2006, only 28 percent denied the Holocaust. Nevertheless, HaQaretz and Maariv reported that Smooha insisted that overall, "there is no clear, consistent trend of radicalization" over the last 30 years, contrary to the prevailing view among the public and policy-makers. He argued that this lack of substantive long-term change shows that Arabs are adapting to Israel's existence.

PM Netanyahu to Washington:

Summary:

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot: QThere are people around Obama who are convinced that they know Netanyahu well, and that he is not trustworthy. Trust is Netanyahu's great problem.

The independent, left-leaning Ha'aretz editorialized: QIsrael must act now, without waiting to hear what the Palestinians will say.

Diplomatic correspondent Ben Caspit wrote on page one of the popular, pluralist Maariv: QNetanyahu is expected to place this bomb [the Iranian nuclear program] right on Obama's desk and look him in the eye. This is your responsibility, he will say to him.

Washington correspondent Orly Azolai wrote in Yediot Aharonot: QFor his [upcoming Cairo] speech to be substantiated, [President Obama] has to reach understandings with Netanyahu, which he will present in Egypt.

The conservative, independent Jerusalem Post editorialized: QOne clear sign that the President is a realist: He's reportedly urging the Arab League to modify its 2002 initiative, transforming it from an unworkable diktat to a genuine peace plan.

Deputy Editor-In-Chief Uri Elitzur wrote in the editorial of the nationalist, Orthodox Makor Rishon-Hatzofe: Q[Crises with the U.S.] didn't cause Israel to collapse and the strategic alliance was not broken.

Block Quotes:

I. "A Question of Trust"

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot (5/18): QThere are people around Obama who are convinced that they know Netanyahu well,

and that he is not trustworthy. Trust is Netanyahu's great problem.

Establishing trust is the immediate task. Not the question of two states or not, and not even the Iranian question. If he establishes trust, it will be easier for him to persuade the administration on the Iranian issue, perhaps even on the Palestinian issue.... When the Obama administration is compared to the Bush administration, there is no doubt that Israel has been downgraded -- less importance, less intimacy, less goodwill, less respect. However, it is too soon to say whether this is significant. Presidents evolve

into their post. So do prime ministers. This happened to Kennedy, Johnson, Nixon, Clinton, and the two Bushes. In nine months or a year, Obama may stand in a completely different place than where he stands today -- and the same is true for Netanyahu. If Netanyahu wanted to hear my advice a few hours before his meeting, I would tell him: Hold your own on issues where you are convinced. Don't apologize. Don't be overly clever.

II. "Act Now"

The independent, left-leaning Ha'aretz editorialized (5/18): Netanyahu and Obama are presumably not interested in a publicized confrontation. It was therefore implied in advance that the two sides would agree on certain tactical formulations, such as the establishment of joint teams to discuss subjects that are still under consideration -- without explicitly referring to the Annapolis process bequeathed by George W. Bush and Condoleezza Rice. An outcome of this kind shouldn't satisfy those who advocate a swift process aimed at reaching a peace agreement between two states that respect each other's sovereignty and borders. The end result must not be postponed until Washington and Jerusalem finish shaping their policy and then come up with a compromise between the two plans. The time that will elapse until then could create a reality that is frozen rather than coordinated.... All Obama's advisers, as well as international figures involved in the process, such as Quartet envoy Tony Blair, have noted three milestones: putting an end to settlement construction, including construction excused by natural growth; removing the illegal outposts; and refraining from demolishing homes in the Palestinian neighborhoods of East Jerusalem. One must not link the timing of such moves -- which will benefit the Palestinian population and the moderate leadership of the Palestinian Authority, which is struggling against Hamas and striving to show that there is a difference between Gaza and the West Bank -- to the wait for the revival of the overall peace process. Israel must act now, without waiting to hear what the Palestinians will say.

III. "Mission Impossible"

Diplomatic correspondent Ben Caspit wrote on page one of the popular, pluralist Maariv (5/18): Netanyahu will make clear to Obama that Israel will not be able to tolerate [a nuclear-armed Iran]. That there is no working assumption among the Israeli security establishment that allows for such a possibility. That if put on the brink, Israel will be forced to act. Be the price what it may be, be the results what they may. Netanyahu is expected to place this bomb right on Obama's desk and look him in the eye. This is your responsibility, he will say to him. You are the leader of the free world. Free for at least the time being. This is Netanyahu's plan. Will it work? Will he succeed in his mission? It's hard to say. Netanyahu is known to have the reputation of someone who blinks first in moments of pressure.... Netanyahu will try to turn Iran, in the eyes of Obama, to what Germany was in the eyes of Churchill. Back then the United States waited until the attack on Pearl Harbor before finally going to war. Today, Netanyahu will say, the war is already here. We do not have the privilege of being able to wait.

IV. "Obama Wants Historical Peace"

Washington correspondent Orly Azolai wrote in Yediot Aharonot (5/18): Shortly before the elections, Barack Obama met with Jews in Florida, removed his jacket, loosened his tie and said to them: In Hebrew, my name is Baruch. Several months later, as an incumbent president, he stood before the parliament in Ankara, Turkey and emphasized that his middle name was Hussein. Today, when Prime Minister Netanyahu crosses the threshold of the White House, he will find neither Baruch nor Hussein. He will find an American president

free of sentiment. An ambitious president, who is well aware of the problems of minority groups, but refuses to see the world in black and white.... Obama knows full well that his meeting with Netanyahu today will have two silent partners: U.S. Jewry on one hand and the Muslim world on the other. The American Jews mostly voted for him, but they would not want to see an Israeli prime minister humiliated, and Obama is aware of this. Obama is now in the midst of a campaign aimed at dissipating [Muslim] hatred, or at least weakening it.... For his [upcoming Cairo] speech to be substantiated, he has to reach understandings with Netanyahu, which he will present in Egypt.

IV. QObama, the Realist

The conservative, independent Jerusalem Post editorialized (5/18): QNaturally, Washington and Jerusalem have had policy differences, yet these do not obscure our long-term mutual strategic interests. After a series of meetings with Arab leaders, and after seeing Netanyahu today, Obama should conclude that the reason there has been no breakthrough is principally attributable to Arab intransigence. But aren't settlements the main obstacle? If only they were. Arab rejectionism predates the issue of settlements by two whole decades. Israel can hardly dispute the long-standing U.S.

contention that settlements complicate peace-making.... At the same time, the Jewish state is willing to make painful territorial concessions. Everyone pays rhetorical homage to the Qtwo-state solution. In 1988, the PLO began hinting that it was willing to abandon the destruction of Israel in favor of two states. While the authenticity of this PLO commitment remains debatable, all Israeli premiers from Yitzhak Rabin to Netanyahu have made it plain that Israel does not wish to rule over the Palestinians. In practice, it is the Palestinians who reject the two-state solution.... Given what the Palestinians have done to Gaza, Netanyahu is saying: Before we put anything like Olmert's offer back on the table, let's figure out what kind of sovereignty the Palestinians can be given without Israel's security being endangered. Obama will surely not blame Israelis for not wanting to wake up to an Iranian Revolutionary Guard base looming over Ben-Gurion Airport. The issue, then, is not how to quickly restart negotiations, but how to avoid past pitfalls.

One clear sign that the President is a realist: He's reportedly urging the Arab League to modify its 2002 initiative, transforming it from an unworkable diktat to a genuine peace plan. That would mean getting real about boundaries, refugees -- and, we trust, recognition of Israel as a Jewish state.

VI. QCountering Prayers to Obama

Deputy Editor-In-Chief Uri Elitzur wrote in the editorial of the nationalist, Orthodox Makor Rishon-Hatzofe (5/18): QThe President of the U.S. is neither a king nor a Caesar. Israel doesnQt work for him and he doesnQt work for the Israeli far Left. There have often been disagreements between Israel and the U.S. administration. There have also been tensions, crises, and attempts to impose. They didnQt cause Israel to collapse and the strategic alliance was not broken.

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